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March 3, 2006

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217

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Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION

Fowler Sand Hill Sand

Upper Sligo Sand, Reservoir A

West Zone
Gardner Sand
Hosston L Sand
Hosston Formation
Simsboro Field

Lincoln Parish, Louisiana Our File No. 230765.51

Dear Sir:

On behalf of CHESAPEAKE OPERATING, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Fowler Sand, Hill Sand, Upper Sligo Sand, Reservoir A, West Zone, Gardner Sand, Hosston L Sand and the Hosston Formation, in the Simsboro Field, Lincoln Parish, Louisiana:

- 1. To permit the Applicant to drill, designate and utilize three (3) additional alternate unit wells for FWL SUB, HILL SUB, U SLI RA SUE, WEST SUB, HOSS L SUD, HOSS SU30, and GARD SUD, at the location shown on the attached plats, in exception to the well spacing provisions of Office of Conservation Order No. 222, effective December 4, 1951, Order No. 222-G, effective January 18, 1979, and Order No. 222-E, effective June 1, 1965 to the extent necessary with respect to said wells;
- 2. To explicitly find that the proposed alternate unit wells are necessary to drain a portion of the abovesaid sands, zone, formation and reservoirs in the Simsboro Field underlying the respective units referenced above, which cannot be efficiently and economically drained by any existing well in such units;
- 3. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Fowler Sand, Hill Sand, Gardner Sand and Hosston L Sand, in the Simsboro Field, Lincoln Parish, Louisiana, are fully defined in Office of Conservation Order No. 222, effective December 4, 1951.

Commissioner of Conservation March 3, 2006 Page 2

The Hosston Formation, in the Simsboro Field, Lincoln Parish, Louisiana was previously defined in Office of Conservation Order No. 222-1, effective September 1, 1957, and was redefined in Order No.222-48, effective November 16, 2005, as set forth hereinabove INSOFAR AND ONLY INSOFAR AS TO HOSS SU30.

The Upper Sligo Sand, Reservoir A, in the Simsboro Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 222-G, effective January 18, 1979.

The West Zone of the Sligo Formation in the Simsboro Field is defined in Office of Conservation Order No. 222-E, effective June 1, 1965.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Shreveport, Louisiana 71163-1126. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

A check in the amount of \$5,285.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII:kml Enclosures Wm. Timothy Allen III
Attorneys for Chesapeake Operating, Inc.

cc: Mr. James C. Broussard, Shreveport

District Manager (w/enclosures)

cc: Interested Owners, Represented Parties

and Interested Parties (w/copy of plats only)



